



BUDGET COMMITTEE



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Democratic Pay-Go: Like a Slice of Swiss Cheese, This Policy is Full of Holes

"The other side of the aisle marches behind this banner in budget after budget, claiming that Pay-Go gives us fiscal discipline. Well, they have either waived or gotten around Pay-Go on nine different occasions, representing billions of dollars to the American taxpayer. Here's nearly \$90 billion of spending in just six months."

- Senator Judd Gregg, July 31, 2007

- **The Democrats' Pay-Go Policy is a Fraud** - Instead of paying for new spending, Democrats have waived or gimmicked their own rules, or declared spending an emergency, all in order to avoid finding offsets for their massive expansion of government.
- **Nearly \$90 Billion in New Spending Has Not Been Offset** - Instead of reining in federal spending with Pay-Go, Democrats have racked up nearly \$90 billion in spending via real Pay-Go violations or gimmicks used to get around the Pay-Go offset requirements. [See attached chart.]
- **Democrats Will Stick To Pay-Go Only to Raise Taxes** - Despite ignoring Pay-Go when it comes to spending they like, Democrats are sure to use Pay-Go as an excuse to raise taxes when the existing pro-growth tax policies are set to expire.
- **American Taxpayers Will Foot the Bill** - American families and businesses will ultimately pay for the spending being implemented. Without offsets, the deficit will increase, leaving future generations stuck with the bill.

Used Gimmicks to Avoid Pay-Go

SCHIP Reauthorization	\$41.000 billion
New Mandatory Pell Grant spending (in HELP reconciliation)	\$06.000 billion
County Payments/PILT (in 2007 supplemental)	\$04.100 billion
Mandatory spending for MILC (in 2007 supplemental)	\$02.400 billion

Real Pay-Go Violations

Immigration Reform	\$30.000 billion
Energy Act of 2007	\$04.200 billion
Prescription Drug User Fee Act Amendments	\$00.171 billion
Minimum Wage Increase (in 2007 supplemental)	\$00.045 billion
Water Resources Development Act	\$00.004 billion

TOTAL

\$87.9 billion